

REMARKS/ARGUMENTS

The Office Action of October 17, 2007, rejects claims 1-40 as being anticipated under 35 U.S.C. § 102(a) as being anticipated in view of a "GainsKeeper" reference. The applicant respectfully traverses the rejections. For example, the cited reference fails to disclose every element and limitation of the claimed invention and is not an enabling reference.

More particularly, the applicant respectfully requests reconsideration of the claims and withdrawal of the rejections. The office action indicates that the GainsKeeper reference discloses various elements of the claimed invention, but fails to point out where the GainsKeeper reference discloses any of these elements and limitations. Instead, the office action simply refers to GainsKeeper pages 1-4.

The Gainskeeper reference appears to constitute three discontinuous web pages. The first page, starting with "Gainskeeper is not an inline brokerage" and asserted to be published November 27, 1999, provides no disclosure relating to the claimed invention. This page merely reads, "Our service captures subscribers' trades, monitors and adjusts them for corporate actions and wash sales, and calculates gain/loss (realized and unrealized) daily."

The second page, starting with "Nobody begins investing because they like the record-keeping required for tax reporting", does not have an asserted date of publication at all. Like the first page, the second page provides no disclosure relating to the claimed invention, but instead merely reads, "Gainskeeper automatically adjusts the securities in your portfolio for trading activity, stock splits, mergers, spin-offs and other messy corporate actions."

The third web page, starting with "What is GainsTracker?" and asserted to be published March 3, 2000, is more substantive, but also fails to disclose each and every element of the claimed invention as required by §102. The web page describes "corporate actions" as material changes to securities and lists several types. The web page also notes that "GainsTracker monitors all corporate actions to U.S. equities, notifies users of affected holdings, and automatically adjusts each position."

The GainsKeeper product differs significantly from the claimed invention. For example, the GainsKeeper system does not receive and incorporate security pricing, and therefore does not determine a purchase price per share of the security on the purchase date. The GainsKeeper system is also designed primarily to use algorithms to calculate the basis going forward, not backwards and forwards as claimed. Further, the GainsKeeper system does not work in conjunction with mutual funds and bonds, and does not include dividend reinvestment, systematic investment and many other complex corporate action events- complex mergers etc. In addition, the GainsKeeper system does not take in consideration the IRS rules of sale methodologies taking dividends reinvestments as a part of the cost basis calculation (FIFO, Average Cost, Specific).

35 U.S.C. §102 requires disclosure in the reference of each and every element and limitation in the claims. The applicant respectfully submits that the Gainskeeper reference does not fulfill this requirement. For example, claim 1 requires:

- “entering, into a computer system, information identifying an issuer associated with the security, a purchase date of the security, and a number of shares of the security purchased on the purchase date”. This step is not disclosed anywhere in the GainsKeeper reference.
- “determining a purchase price per share of the security on the purchase date”. This step is not disclosed anywhere in the GainsKeeper reference.
- “retrieving from a database, in response to the information identifying the issuer, the purchase date and a sale date, a list of capital events that occurred in connection with the security between the purchase date and sale date, wherein the list of capital events includes at least one event selected from the group consisting of a distribution reinvestment, a spin-off event, a merger event and a split event, and wherein the database stores past price per share information and capital

events for a plurality of different securities associated with different issuers”. This step is not disclosed anywhere in the GainsKeeper reference.

- “retrieving from a database one or more shares held adjustment ratios, wherein the shares held adjustment ratios correspond to at least one of the capital events that occurred in connection with the security between the purchase date and the sale date”. This step is not disclosed anywhere in the GainsKeeper reference.
- “determining a current cost basis associated with the security by applying at least one shares held adjustment ratio to an initial basis of the security”. This step is not disclosed anywhere in the GainsKeeper reference.
- “if multiple shares held adjustment ratios were retrieved from the database, then assigning an intermediate cost basis equal to the current cost basis”. This step is not disclosed anywhere in the GainsKeeper reference.
- “adjusting the current cost basis by applying a further shares held adjustment ratio to the intermediate cost basis”. This step is not disclosed anywhere in the GainsKeeper reference.
- “repeating the steps of assigning an intermediate cost basis equal to the current cost basis and adjusting the current cost basis until each further shares held adjustment ratio retrieved from the database has been used to adjust the current cost basis of the security, wherein each further shares held adjustment ratio retrieved from the database has an event date associated therewith and is applied in a chronological order such that a shares held adjustment ratio associated with a latest event date is applied in a final iteration of the step of adjusting the current cost basis”. This step is not disclosed anywhere in the GainsKeeper reference.

- “storing information relating to the current cost basis in a memory”. This step is not disclosed anywhere in the GainsKeeper reference.

The Gainskeeper reference likewise fails to disclose various elements, steps, and limitations of dependent claims 30, 39, and 40. Likewise, each of the dependent claims contains limitations that are not disclosed in the GainsKeeper reference. The applicant submits that a listing of each of these limitations in the claims and a notation that the corresponding elements and limitations are not disclosed in the few pages of the GainsKeeper reference would be repetitive and demonstrate simply that the GainsKeeper reference suffers similar shortcomings relative to each of the rejections.

While the Gainskeeper reference may generally relate to the subject matter of the present invention, similarity of subject matter is insufficient to support rejections under § 102. It appears that the examiner has merely selected words and phrases from the GainsKeeper reference that bear superficial resemblance to the limitations defined by the applicant in the claims. The reference simply does not disclose the claimed invention, and these rejections should be withdrawn. If the examiner persists with this ground of rejection, the applicant respectfully requests an explanation of the pertinence of the reference in greater detail.

To the extent that the GainsKeeper reference discloses similar objectives and criteria, the applicant submits that the GainsKeeper reference is not “sufficient to enable one with ordinary skill in the art to practice the invention” as required under § 102. *Minnesota Mining & Mfg. Co. v. Chemque Inc.*, 303 F.3d 1294 (Fed. Cir. 2002). The knowledge referred to in § 102(a) must consist of a complete and adequate description of the invention (i.e., the knowledge must be sufficient to reduce the invention to practice). *Connecticut Valley Enters. v. United States*, 348 F.2d 949 (Ct. Cl. 1964)(per curiam). “A claimed invention cannot be anticipated by a prior art reference if the allegedly anticipatory disclosures cited as prior art are not enabled.” *Elan Pharms. Inc. v. Mayo Found. For Med. Educ. & Research*, 346 F.3d 1051 (Fed Cir. 2003) It is

insufficient to merely name or describe the desired subject matter, if it cannot be produced without undue experimentation. *Id.*

As noted above, the present claims call for many, many elements and limitations that are not disclosed in the GainsKeeper reference. The applicant respectfully submits that the GainsKeeper lacks the detail required to enable one with ordinary skill in the art to execute the claimed steps and implement the claimed methods and apparatus without undue experimentation. The GainsKeeper reference's simple statements about monitoring corporate actions and automatically adjusting positions fails to adequately describe the claimed processes and apparatus to enable a person to practice the claimed invention without undue experimentation.

Likewise, the GainsKeeper reference does not render the claimed invention obvious. In light of the Supreme Court decision in *KSR v. Teleflex*, and the decisions by the Board of Patent Appeals and Interferences in *Ex Parte Smith*, *Ex Parte Kubin*, and *Ex Parte Catan*, any obviousness determination must be consistent with the traditional *Graham* factors. Thus, obviousness is determined according to (1) the scope and content of the prior art, (2) the level of ordinary skill in the art, (3) the differences between the prior art and the claimed invention, and (4) the extent of any objective indicia of nonobviousness.

In addition, the examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness. If the examiner does not produce a *prima facie* case, the applicant is under no obligation to submit evidence of nonobviousness. To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. MPEP 2142. In the present case, the office action fails to fulfill several of these criteria with respect to the various claims.

The prior art references when combined still must teach or suggest all the claim limitations. MPEP 2143. As noted above, several express elements and limitations in the claims are absent from the GainsKeeper references. For example, claim 1 calls for assigning an intermediate cost basis equal to the current cost basis; adjusting the current cost basis by applying a further shares held adjustment ratio to the intermediate cost basis; and repeating the steps of assigning an intermediate cost basis equal to the current cost basis and adjusting the current cost basis until each further shares held adjustment ratio retrieved from the database has been used to adjust the current cost basis of the security, wherein each further shares held adjustment ratio retrieved from the database has an event date associated therewith and is applied in a chronological order such that the a shares held adjustment ratio associated with a latest event date is applied in a final iteration of the step of adjusting the current cost basis. These steps are not disclosed in or suggested by the GainsKeeper reference, and are not obvious in view of the GainsKeeper disclosure. The rejections of the remaining independent and dependent claims are similarly deficient.

In sum, the GainsKeeper fails to disclose or suggest several express elements and limitations of the claims. To support the rejections, the prior art must teach or suggest all the claim limitations. Consequently, the rejections of the claims are improper and should be withdrawn.

Finally, the applicant notes that the GainsKeeper reference is a printout from a web page. The office action asserts a date of publication of March 3, 2000 and links circa 1999. The office action relies, however, on www.archive.org to assert these dates. The publisher of this information notes that the information published at www.archive.org cannot be relied upon. "You understand and agree that the Archive makes no warranty or representation regarding the accuracy, currency, completeness, reliability, or usefulness of the content in the Collections, that the Site or the Collections will meet your requirements, that access to the Collections will be uninterrupted, timely, secure, or error free, or that defects, if any, will be corrected. We make no warranty of any kind, either express or implied." (Terms of Use, 10 March 2001, <http://www.archive.org/about/terms.php>). Thus, because the date of publication of the cited

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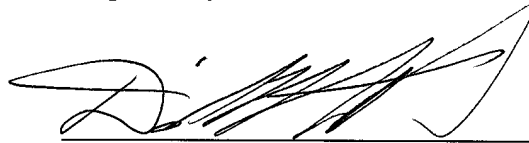
reference cannot be ascertained, the applicant respectfully submits that the office action does not fulfill its burden of asserting valid prior art in support of the rejections.

CONCLUSION

Please consider the remarks and arguments. In view of the present comments, the applicant respectfully submits that the rejections should be withdrawn. Please contact the undersigned attorney at the address and telephone number noted below with any questions or comments.

Respectfully submitted,

Date: March 11, 2008

A handwritten signature in black ink, appearing to read 'Daniel J. Noblitt', is written over a horizontal line.

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